RECORD AND BRIEFS

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IN THE
# Supreme Court of the United States

MICHELLE K. LEE, UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR, UNITED STATES PATENT AND TRADEMARK OFFICE,
*Petitioner,*

v.

SIMON SHIAO TAM,
*Respondent.*

On Writ of Certiorari to the
United States Court of Appeals
for the Federal Circuit

## BRIEF FOR AMICUS CURIAE AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION SUPPORTING NEITHER PARTY

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## INTEREST OF AMICUS

The American Intellectual Property Law Association ("AIPLA") is a national bar association of approximately 14,000 members who are primarily lawyers engaged in private and corporate practice, in government service, and in the academic community. AIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly and indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property, and our mission includes providing courts with objective analysis to promote an intellectual property system that stimulates and rewards invention while balancing the public's interest in healthy competition, reasonable costs, and basic fairness.[1]

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[1] In accordance with Supreme Court Rule 37.6, amicus curiae states that this brief was not authored, in whole or in part, by counsel to a party, and that no monetary contribution to the preparation or submission of this brief was made by any person or entity other than the amicus curiae or its counsel. Specifically, after reasonable investigation, AIPLA believes that (i) no member of its Board or Amicus Committee who voted to file this brief, or any attorney in the law firm or corporation of such a member, represents a party to this litigation in this matter, (ii) no representative of any party to this litigation participated in the authorship of this brief, and (iii) no one other than AIPLA, or its members who authored this brief and their law firms or employers, made a monetary contribution to the preparation or submission of this brief.

AIPLA has no stake in any of the parties to this litigation or in the result of this case other than its interest in seeking the correct and consistent interpretation of the law as it relates to intellectual property issues.[2]

## SUMMARY OF ARGUMENT

The United States Patent and Trademark Office (PTO) interpreted Section 2(a) of the Lanham Act as barring registration of respondent's trademark "The Slants" for a rock band, concluding that the mark "may disparage ... persons, living or dead, institutions, beliefs, or national symbols." under 15 U.S.C. § 1052(a). The language of this statutory provision is demonstrably unconstitutional as vague under the 5th Amendment, and its application in this case also ran afoul of the First Amendment. Although a denial of registration is not a form of direct censorship, it still constitutes the denial of an important benefit conferring valuable rights. A rule barring access to that benefit based on the message conveyed by a given trademark requires heightened constitutional scrutiny. The government cannot show that the burden imposed here on respondent's speech passes the requisite scrutiny.

First, as to vagueness, when a regulation impinges on free speech, the usual due process requirements of

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[2] In accordance with Supreme Court Rule 37.3(a), both Petitioner and Respondent have filed letters with the Clerk consenting to the filing of all amicus briefs.

clarity in the law are applied with extra stringency. Here, Section 2(a) provides would-be registrants with very little concrete guidance about which trademarks the PTO will register and which it will refuse to register. The PTO has acknowledged this, attempting to provide trademark examiners with more guidance in the manual governing their work. But that effort only serves to create more confusion.

In some situations, a vague law can become sufficiently clear through case-by-case adjudications. But here, a review of prior decisions by the PTO only serves to confirm that the anti-disparagement rule is extremely vague. A long list of contradictory rulings make clear that the officials called upon to administer this rule have no more idea than anyone else about what constitutes a trademark that "may disparage." Such a law cannot continue to be used to regulate speech absent some substantial new clarification.

Second, even if this Court were to conclude that the anti-disparagement rule is sufficiently clear, the application of that rule in this case violated the First Amendment. As Judge Dyk noted in his concurrence below, respondent clearly chose to call his band "The Slants" in order to make a statement about racism against Asian Americans and to "reclaim" a derogatory term. That kind of usage of a trademark constitutes core protected speech under the First Amendment. And it is well-established that the government has no right to penalize that kind of speech based on a determination that it "may disparage." To the contrary, offensive and controversial speech is often the most effective way for a person to participate in a

political dialogue. Thus, although there may be some types of disparaging marks that can be denied registration without running afoul of the First Amendment, this is not such a case.

## ARGUMENT

### I. Federal Registration Provides Important Procedural and Substantive Benefits Affecting the Enforceability and Geographic Scope of Trademarks.

Section 2(a) of the Lanham Act, 15 U.S.C. § 1052(a), provides that the PTO must refuse registration of trademarks that "may disparage ... persons, living or dead, institutions, beliefs, or national symbols." In so doing, the Act does not prevent anyone from using such a mark. But it does deny the benefits of trademark registration, which are considerable.

This is, therefore, not a case about direct censorship of speech. However, that is not the end of the First Amendment analysis. As this Court has made clear in numerous cases, the unconstitutional conditions doctrine limits the ability of the law to condition an important governmental benefit on the recipient's willingness to give up the exercise of a constitutional right. "For if the government could deny a benefit to a person because of his constitutionally protected speech or associations, his exercise of those freedoms would in effect be penalized and inhibited." *Perry v.*

*Sindermann*, 408 U.S. 593, 597 (1972); *see Legal Servs. Corp. v. Velazquez*, 531 U.S. 533, 545 (2001).[3]

The anti-disparagement rule in the Lanham Act does just that by depriving a business that selects a "disparaging" trademark of the important benefit of registration. Thus, although the government does not seek to prohibit the use of "disparaging" marks directly, the Act creates an incentive for private parties to conform their speech to the government's preferred standards.

That incentive is a powerful one. As this Court noted in *B&B Hardware, Inc. v. Hargis Industries, Inc.*, 135 S. Ct. 1293, 1310 (2015), the "benefits of [trademark] registration are substantial." The Court explained:

> The Lanham Act confers "important legal rights and benefits" on trademark owners who register their marks. 3 McCarthy § 19:3, at 19-21 see also *id.*, § 19:9, at 19-34 (listing seven of the

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[3] To be sure, this Court has said that the government may impose "conditions that define the limits of the [g]overnment spending program [and] those that specify the activities Congress wants to subsidize[.]" *Agency for Int'l Dev. v. Alliance for Open Soc'y Int'l, Inc.*, 133 S. Ct. 2321, 2323 (2013). But it has distinguished that situation from conditions that seek to use the power of a conditional benefit to "regulate speech outside the contours of the federal program itself." *Id.* The government attempts to wedge this case into the former category, Pet. 16-19, but that effort is unpersuasive. There can be little doubt that the effects of the rule at issue here go beyond defining the limits of a government program by creating powerful incentives to use trademarks that meet the government's standards of propriety.

> "procedural and substantive legal advantages" of registration). Registration, for instance, serves as "constructive notice of the registrant's claim of ownership" of the mark. 15 U.S.C. § 1072. It also is "prima facie evidence of the validity of the registered mark and of the registration of the mark, of the owner's ownership of the mark, and of the owner's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate." § 1057(b). And once a mark has been registered for five years, it can become "incontestable." §§ 1065, 1115(b).

*Id.* at 1300; *see also* Pet. App. 4a-5a (Federal Circuit majority's discussion of the many valuable rights associated with registration). A federal registration is also a threshold requirement for using the UDRP and Trademark Clearinghouse tools to thwart infringing domain names.[4] Without the benefits of federal trademark registration, owners of unregistered marks may be unable to challenge others' use of confusingly similar marks in a different geographic area. *See, e.g., Thrifty Rent-A-Car Sys., Inc. v. Thrift Cars, Inc.*, 831 F.2d 1177 (1st Cir. 1987); *Value House v. Phillips Mercantile Co.*, 523 F.2d 424 (10th Cir. 1975); *Dudley v. HealthSource Chiropractic Inc.*, 883 F. Supp. 2d 377 (W.D.N.Y. 2012).

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[4] *See* Uniform Domain-Name Dispute Resolution Policy at https://www.icann.org/resources/pages/policy-2012-02-25-en, and Trademark Clearinghouse at http://www.trademark-clearinghouse.com.

For these reasons and others, the PTO's refusal to register a trademark can be very harmful commercially. That potential for harm provides a powerful incentive for businesses to avoid selecting marks that they cannot register. Put differently, a content-based restriction on registration of trademarks can have a substantial coercive effect, pushing businesses to avoid trademarks that have even the potential for being denied registration. Accordingly, any such restriction must be clearly stated and uniformly applied.

## II. The Anti-Disparagement Rule is Unconstitutionally Vague.

As Judge O'Malley laid out in her concurrence below, Pet. App. 68a-80a, the anti-disparagement rule in Section 2(a) is unconstitutionally vague in violation of the Due Process Clause of the Fifth Amendment.

This Court has previously recognized that "[the] requirement of clarity in regulation is essential to the protections provided by the Due Process Clause of the Fifth Amendment[,]" which "requires the invalidation of laws that are impermissibly vague." *FCC v. Fox Television Stations, Inc.*, 132 S. Ct. 2307, 2317 (2012). When, as in this case, content-based restrictions on speech are involved, "vagueness ... raises special First Amendment concerns because of its obvious chilling effect on free speech." *Reno v. ACLU*, 521 U.S. 844, 871-72 (1997). If the vagueness of such a statute or regulation "threatens to inhibit the exercise of constitutionally protected rights ... a more stringent vagueness test should apply." *Village of Hoffman*

*Estates v. Flipside, Hoffman Estates, Inc.*, 455 U.S. 489, 499 (1982).

A statute or regulation is impermissibly vague when it "fails to provide a person of ordinary intelligence fair notice of what is prohibited, or is so standardless that it authorizes or encourages seriously discriminatory enforcement." *FCC*, 132 S. Ct. at 2317 (quoting *United States v. Williams*, 553 U.S. 285, 304 (2008)); *see also Grayned v. City of Rockford*, 408 U.S. 104, 108-09 (1972) (to survive a vagueness challenge, a statute must "give the person of ordinary intelligence a reasonable opportunity to know what is prohibited" and "provide explicit standards for those who apply [it]" to prevent "arbitrary and discriminatory enforcement").

The anti-disparagement rule in Section 2(a) has both of these flaws. Its provisions are unclear and require subjective interpretation, and its application is often inconsistent.[5]

Section 2(a) provides that an applicant for trademark protection shall be denied the benefits of registration if the mark "[c]onsists of or comprises ... matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute[.]" 15 U.S.C. § 1052(a). The text of the statute provides little guidance to applicants or the PTO as to the meaning of the term "disparage."

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[5] To be clear, AIPLA's argument that Section 2(a) is unconstitutionally vague extends only to the portion of the statute dealing with denial of registration to disparaging marks, and the associated PTO interpretations of that provision.

And an additional layer of uncertainty is added by the fact that Congress said it was enough if the mark "may" disparage someone. The PTO itself has admitted that the guidelines for determining whether a mark is disparaging are "somewhat vague" and "necessarily ... highly subjective[.]" *In re In Over Our Heads Inc.*, 16 U.S.P.Q.2d 1653, 1654 (T.T.A.B. 1990) (quotation marks omitted).

The inherent subjectivity required to implement Section 2(a) results in a high degree of uncertainty for both applicants and the PTO, hampering the development and implementation of a consistently applicable standard. The ambiguous text of Section 2(a) fails a vagueness test of any standard, stringent or otherwise.

When the language of a statute lacks the necessary clarity to satisfy the requirements of due process, "[t]he area of proscribed conduct will be adequately defined and the deterrent effect of the statute contained within constitutional limits only by authoritative constructions sufficiently illuminating the contours of an otherwise vague prohibition." *Dombrowski v. Pfister*, 380 U.S. 479, 490–91 (1965). The PTO has attempted to assist examiners in applying Section 2(a) by setting forth in the Trademark Manual of Examining Procedure a two-part test for determining whether a mark is unregistrable because it is disparaging:

> (1) What is the likely meaning of the matter in question, taking into account not only dictionary definitions, but also the relationship of the matter to the other

> elements in the mark, the nature of the goods or services, and the manner in which the mark is used in the marketplace in connection with the goods or services; and
>
> (2) If that meaning is found to refer to identifiable persons, institutions, beliefs or national symbols, whether that meaning may be disparaging to a substantial composite of the referenced group.

Trademark Manual of Exam. Proc. ("TMEP") §1203.03(b)(i) (Oct. 2016 ed.) (citing, *inter alia*, *In re Geller*, 751 F.3d 1355, 1358 (Fed. Cir. 2014), *cert. denied*, 135 S. Ct. 944 (2015); *Harjo v. Pro-Football Inc.*, 50 U.S.P.Q.2d 1705, 1740-41 (T.T.A.B. 1999)).

But this two-part test, even if it were set forth in an authoritative interpretive regulation rather than a manual for examiners, would fail to add clarity to the statute's provisions; rather, by introducing additional vague and subjective terms, the PTO has exacerbated the existing ambiguity of Section 2(a). For example, the term "substantial composite" has never been clearly defined by the PTO, other than a declaration that it is "not necessarily a majority" — a definition that provides little guidance to applicants and examiners. TMEP §1203.03(b)(i) (Oct. 2016 ed.).

As for interpretations in adjudications, the PTO has said, for example, that a mark is disparaging under Section 2(a) when it "dishonor[s] by comparison with what is inferior, slight[s], deprecate[s], degrade[s], or affect[s] or injure[s] by unjust comparison." Pet. App. 70a (O'Malley, J., concurring) (brackets in original)

(quoting *Pro–Football, Inc. v. Harjo*, 284 F. Supp. 2d 96, 124 (D.D.C. 2003), which in turn quoted *Harjo v. Pro-Football, Inc.*, 50 U.S.PQ. 2d 1705, 1737 n.98 (T.T.A.B. 1999)). But such descriptions of the rule leave open a wide range of doubt about how the rule applies in a given case.

Moreover, as noted by the majority below, the PTO's record of grants and denials of trademark protection "often appears arbitrary and is rife with inconsistency[.]" Pet. App. 33a n.7. The vagueness inherent in the statutory language is further underscored by the numerous examples of inconsistent and contradictory application of Section 2(a)'s disparagement provision. The PTO, for example, denied registration to the mark HAVE YOU HEARD SATAN IS A REPUBLICAN but registered the mark THE DEVIL IS A DEMOCRAT. Pet. App. 71a & n.1 (O'Malley, J., concurring). In 2014, the PTO denied registration to the mark STOP THE ISLAMIZATION OF AMERICA for use in "[p]roviding information regarding understanding and preventing terrorism," *In re Geller*, 751 F.3d 1355, 1357 (Fed. Cir. 2014), *cert. denied*, 135 S. Ct. 944 (2015), but in 2015, registration was granted to the mark STOP ISLAMIZATION OF AMERICA, Registration Serial No. 86857969, for the same purpose.[6]

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[6] Additional examples of inconsistent application of Section 2(a)'s disparagement standard are numerous. *See, e.g., In re Squaw Valley Dev. Co.*, 80 U.S.P.Q.2d 1264 (T.T.A.B. 2006) (denying registration of marks "SQUAW" and "SQUAW ONE" for clothing and retail services, but accepting registration for ski equipment); *In re Heeb Media, LLC*, 89 U.S.P.Q.2d 1071 (T.T.A.B. 2008)

Results like these suggest that the outcome of a disparagement analysis under Section 2(a) is extremely unpredictable. The statute, PTO guidelines, and previous decisions by the T.T.A.B. all fail to provide the general public with the required notice of what marks are barred from registration for disparagement under Section 2(a), and, as shown above, have led to repeated instances of arbitrary and inconsistent enforcement.

The vague rule at issue here may not be as constitutionally serious as a vague criminal prohibition. But the requirement of precision in the regulation of speech should apply in this context as well, where an important commercial and expressive right is at stake.

## III. The Anti-Disparagement Rule Is Unconstitutional as Applied to Trademarks That, Like the One at Issue Here, Are Intended to Convey Political Messages.

Even if the Court were to conclude that the anti-disparagement rule is sufficiently clear to pass constitutional muster, there is a second constitutional problem here. Because of the nature of the speech and message involved, this application of the anti-disparagement rule is a clear violation of the First Amendment, as Judge Dyk reasoned in his concurrence below, Pet. App. 80a-90a. It may well be that there are some applications of the rule that are valid under the First Amendment, particularly where the trademark at issue is purely commercial in nature and is using a racist or similarly disparaging term simply to help sell a

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(denying registration to the mark "HEEB" for clothing, despite 2004 registration of same mark for magazines).

product. But as applied to The Slants, the anti-disparagement rule punishes core protected speech based on its content.

As the Federal Circuit recognized, respondent Tam "named his band The Slants to 'reclaim' and 'take ownership' of Asian stereotypes.... With their lyrics, performances, and band name, Mr. Tam and his band weigh in on cultural and political discussions about race and society that are within the heartland of speech protected by the First Amendment." Pet. App. 10a.

The government in its Petition for Certiorari disputes this characterization, arguing that the "trademark-registration program operates exclusively in the sphere of commercial speech." Pet. 20. But the facts of this case are a powerful refutation of that claim. Far from being just a commercial identifier like Chevrolet or Chrysler, the name of respondent's band makes a clear statement about the racism experienced by Asian-Americans and about the band's determination to overcome stereotypical assumptions. Indeed, it is the sad history of people using the word "slant" to disparage Asians — the very history that motivated the Patent and Trademark Office to deny registration — that simultaneously animates the political message the band is seeking to communicate. Put differently, this case is a prime example of the principle articulated by Judge Dyk in his concurrence — that when you are dealing with core political speech, it is often speech that some would deem highly offensive that is the most effective and important. Pet. App. 82a-83a (citing *Texas v. Johnson*, 491 U.S. 397,

408-09 (1989), which recognized that flag burning is protected expression).

Where, as here, the government sets up a system for drawing distinctions among various forms of expression based on their content, it cannot justify a given *application* of the system that burdens core First Amendment expression by arguing that most of the rest of the applications involve only purely commercial speech. An as-applied challenge remains available to test whether the particular application of the law meets First Amendment standards.[7]

In *Texas v. Johnson*, for example, the Court noted that the government had every right to regulate the proper treatment and disposal of the American flag. But it held that the First Amendment provided protection in those cases where a law is applied to punish flag desecration undertaken for expressive purposes. *Texas v. Johnson*, 491 U.S. 397, 418 (1989) ("To say that the government has an interest in encouraging proper treatment of the flag, however, is

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[7] The rule is different when the government is regulating a form of *conduct* that, in a given instance, has been undertaken for an expressive purpose. In that context, only lenient First Amendment scrutiny applies if the government can show that its reasons for regulating the conduct are "unrelated to the suppression of free expression." *Texas v. Johnson*, 491 U.S. 397, 407 (1989) (quoting *United States v. O'Brien*, 391 U.S. 367, 377 (1968)). But here, where the government is selectively benefiting and penalizing pure speech based on its content, that more lenient standard would not apply to an as-applied challenge, regardless of whether the majority of other applications of the law are or are not constitutional.

not to say that it may criminally punish a person for burning a flag as a means of political protest.")

Similarly, while public school administrators have considerable leeway to regulate the clothing students wear to school, such regulations may not avoid constitutional scrutiny when facially neutral clothing rules punish students for wearing clothing, like an arm band, intended to convey a political message. *See Tinker v. Des Moines Indep. Cmty. Sch. Dist.*, 393 U.S. 503 (1969).

Given that the anti-disparagement rule has been applied in this case to punish core protected speech, strict constitutional scrutiny should apply. That means that the application of the rule at issue cannot be upheld unless the government can show that it is serving a compelling governmental interest in the least restrictive way. That standard clearly is not met in this case. To the contrary, whatever legitimacy the anti-disparagement rule may have when applied to purely commercial speech, there is no government interest that is legitimate, let alone compelling, in refusing to provide an important government benefit to the politically expressive trademark at issue here.

## CONCLUSION

The Court should affirm the judgment below, ruling either that Section 2(a)'s non-disparagement requirement is unconstitutionally vague, or that it was unconstitutionally applied here.

Respectfully submitted,

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